Levy of service tax on sale of advertising newspapers

2181. SHRI THENNALAG. BALAKRISHNA PILLAI: Will the Minister of FfNANCE be pleased to state:

(a) whether at time when the domestic newspaper industry is exposed to global competition, the levy of service tax on the sale of advertising newspapers, tantamount to curing the growth of newspaper industry in the country;

(b) whether while bringing advertising agencies business under service tax net in 1996, Government held that the tax would not be applicable to amounts paid for advertising space in newspapers; and

(c) whether newspapers are considered an essential social and community service rendered on subsidised rates and neutralised by revenue generation from advertising?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Service tax is not leviable on advertising space in print media.

(b) Government issued a clarification dated 31.10.1996 wherein it was stated that the amount paid, excluding their own commission, by the advertising agency for space and time in getting the advertisement published in the print media *(i.e.* newspapers, periodicals, etc.) or the electronic media (Doordarshan, private TV channels, AIR etc.) will not be includible in the value of taxable service for the purpose of the levy of service tax. The commission received by the advertising, agency would, however, be includible in the value of taxable service.

(c) Government takes into account all material factors while considering levy of service tax on advertising agency.

Guidelines for credit card operations

2182. SHRI THENNALAG. BALAKRISHNA PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has issued guidelines for credit card operations by banks and financial companies; '

(b) whether under the new guidelines the credit card issuing banks/ companies will be held accountable for acts of omission and commission of direct selling agents/marketing agents; and

(c) whether there is any provision in the guidelines to bar unsolicited telephone calls by marketing agents/call centres to prospective customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. Reserve Bank of India (RBI) has issued the guidelines on credit card operations of banks/NBFCs on November 21,2005 which are available on its website *www.rbi.org.in*.

(b) RBI has already taken care of the cardholders' interest in the guidelines. The card issuing bank/NBFC would be responsible as the principal for all acts of omission or commission of their agents (DSAs/ DMAs and recovery agents).

(c) Banks/NBFCs issuing cards are required to maintain a Do Not Call Registry (DNCR) containing the phone numbers (both cell phones and land phones) of customers as well as non-customers who have informed the bank/NBFC that they do not wish to receive unsolicited calls/SMS for marketing of the credit card products. The bank/NBFC would be held responsible if a Do Not Call Number (DNCN) is called by its DSAs/DMAs or Call Centres.

Waiver of interest rate on agriculture loans

2183. SHRI VARINDER SINGH BAJWA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering any proposal for waiving off the interest on agriculture loan taken by farmers from the nationalised banks and Scheduled Commercial Banks; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) NO, Sir.

(b) Does not arise.